



AGENDA ITEM ANALYSIS

Project/Issue Name: 23-R-20 A Resolution of the City Council Authorizing Payment to Missouri Rural Services Workers' Compensation Insurance Trust for Coverage for 2023-2024.

Submitted By: Lisa Addington, Chief of Staff

Date: 3/21/2023

Issue Statement

The City's worker's compensation insurance policy expires March 31, 2023. The renewal is for the period April 1, 2023 through March 31, 2024.

Discussion and/or Analysis

The renewal estimated premium from the Missouri Rural Services Workers' Compensation Insurance Trust for 2023/2024 is \$309,242. This represents an increase in actual premium of \$46,953 (18%) from the 2022/2023 estimated premium. The increase is due to an increase in payroll as well as an increase in the experience modification from 1.20 to 1.27 based on the past three years. We were aware of this increase and proactively budgeted for it and this renewal does come in under budget prior to the audit premium.

Recommended Action

Comparison of calculated premiums between the two renewal periods is as follows:

	2022/2023	2023/2024	
Manual Premium(t)	\$264,406	\$291,068	(based on payroll and classification rates)
Modified Premium(2)	\$311,999	\$369,656	(manual premium @ experience mod factor)
Deviated Premium	-\$62,400	-\$73,931	(max discount of 25%)
Additional Charges	\$12,690	\$13,517	(2nd injury fund/ Mo premium tax/ fixed expense)
Pro Rate Premium	\$262,289	\$309,242	



A workers' compensation audit is performed annually to review the city's payroll records and claims experience. The annual premium is paid in two parts: the current estimate, as provided, is \$309,242 for 2023/2024 and the remainder to be based on and invoiced after an actual audit is performed for the 2023/2024 fiscal year.

Recommended Action

Acceptance of the workers' compensation coverage from the Missouri Rural Services Workers' Compensation Insurance Trust for 2023/2024 in the amount of \$309,242 is recommended.